MANAGEMENT AND BUDGET

Federal Funds Update Call

Avery Prine, Sam Rockwell, & Kerry York-Myles | Federal Funds Implementation Team

Presentation (15 minutes)

1. Introduction: Team & Purpose

2. Updates: Federal Developments, Resources, Funding Opportunities

3. Topic Area Spotlight: Office of Rural Health and Primary Care– Rural Health Transformation Program

Questions and Group Discussion (15 minutes)

Mission: Partner with Minnesota entities to access and deploy federal funds to accelerate state goals.

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Our Focus Areas

1. Monitor the federal landscape

2. Advance the resourcing of strategically significant projects

3. Monitor and evaluate federal funds deployment

4. Curate, develop & share federal funding technical assistance

While we can't provide clarity right now, we can:

- Share information to facilitate risk analyses

    - Tracking reimbursement blockages

    - Tracking cancellations

    - Tracking NOFOs

    - Tracking guidance and EOs

- Provide a space for others to share information and strategies

- Build a support network of people working through similar problems

Current and Upcoming Resources

- **September 26, 2025: MDH [Rural Health Transformation Plan – Public Comments](#)**
  - Identified focus areas include emergency services, primary care, care for people with complex and chronic conditions, mental and behavioral health care, maternal health care, and other at-risk services or unmet needs.
  - Questions can be directed to rural.transformation.mdh@state.mn.us

- **October 1, 2025: Robert Wood Johnson (RWJ) [Rapid Response: Reinvesting in Racial and Indigenous Health Equity Research](#)**
  - RWJ Rapid Response Research funding is exclusively available to applicants who have already received federal funding (e.g., from the NIH, CDC, NSF) for their health equity research but have since had their funding partially or fully rescinded due to federal administrative actions.
  - [Weekly office hours](#) are available until the application deadline.

- **October 16 & October 30, 2025: [MCN Webinar on Designing for Strategy: Financial Modeling](#)** ($135 for MCN members / $175 for nonmembers)
  - This is a four-hour virtual training split into 2 two-hour sessions led by Tangelo Tree Consulting.
  - Session topics will include: 1.) Financial Modeling to Support Decision Making and 2.) Financial Modeling Monitoring and Implementation.
  - In a time of shifting funding sources, rising costs, and heightened accountability, financial modeling can help turn uncertainty into informed choices by providing scenario analysis, cost projections, and risk assessments.

Ongoing Resources

- Federal Budget Information: [Reconciliation](#)
- Disruption Trackers: [Temporary Disruptions, Permanent Cancellations, and Court Ordered Reversals](#)
- Lawyers for Good Government: [Fund Protection Clinic](#)
- MN TA Collaborative: [Technical Assistance Provider Directory](#)
- Environmental Protection Network: [Federal Funding Management Webinars and Office Hours](#)
- Impala Ecosystem: [Minnesota Philanthropic Hub](#) (for MN-based nonprofits, foundations and members of the Minnesota Council of Foundations)
- MCN Legal Services Initiative: [Nonprofit Legal Help Desk, Legal Resource Library, Compliance Support and Webinars](#)
- Federal Funds Information for States (FFIS): [Deciphering Federal Budgetspeak](#)

Federal Developments

- September 30: If Congress does not appropriate funds by the 30th, the federal government will shut down (OMB is planning layoffs of those who work on programs "not consistent with the President's priorities"). Additionally, if certain funds are not obligated by the 30th, those funds may be subject to a 'pocket rescission' (see e.g. certain IIJA transportation funds). EV tax credits also expire on the 30th.

- The EPA is proposing to end the Greenhouse Gas Reporting Program. An opportunity to comment should be posted in the Federal Register shortly.

- State of Minnesota agencies continue to experience returned grant reports if those reports use words like "equity" or "equality" and cancelled funding if the grant "ensure[s] there is racial, ethnic, gender, and geographic diversity."

- The First Amendment has been in the news, with some potential budget implications: late-night-host Jimmy Kimmel fired and rehired, and related broader administration threats to monitor speech and examine the tax-exempt status of certain non-profits could impact funding eligibility for those organizations.

- Courts reversed cancellations of a Rhode Island wind farm project and of grant funding at UCLA.

- Nationally, some multimodal (bike/walk/transit) funds have been cancelled with a USDOT note that the agency is "focusing ... multimodal grant programs primarily on projects that promote vehicular travel."

- An E.O. changed requirements for the H1B skilled-worker visa program by requiring a payment of $100,000 for the visa.

- FEMA announced it will be issuing non-disaster awards—FEMA has finished an evaluation of the programs.

Office of Rural Health and Primary Care
Emma Distel, MPH

Rural Health Transformation Program

MANAGEMENT AND BUDGET

Rural Health Transformation Program (RHTP) Overview

$50 billion over 5 FYs (2026-2030) = $10 billion annually to be distributed to states each federal fiscal year

Half of funds to all states with an approved application

Half of funds distributed in amounts to states TBD within certain parameters

States cannot use funds to leverage other federal funding or meet Medicaid match requirements
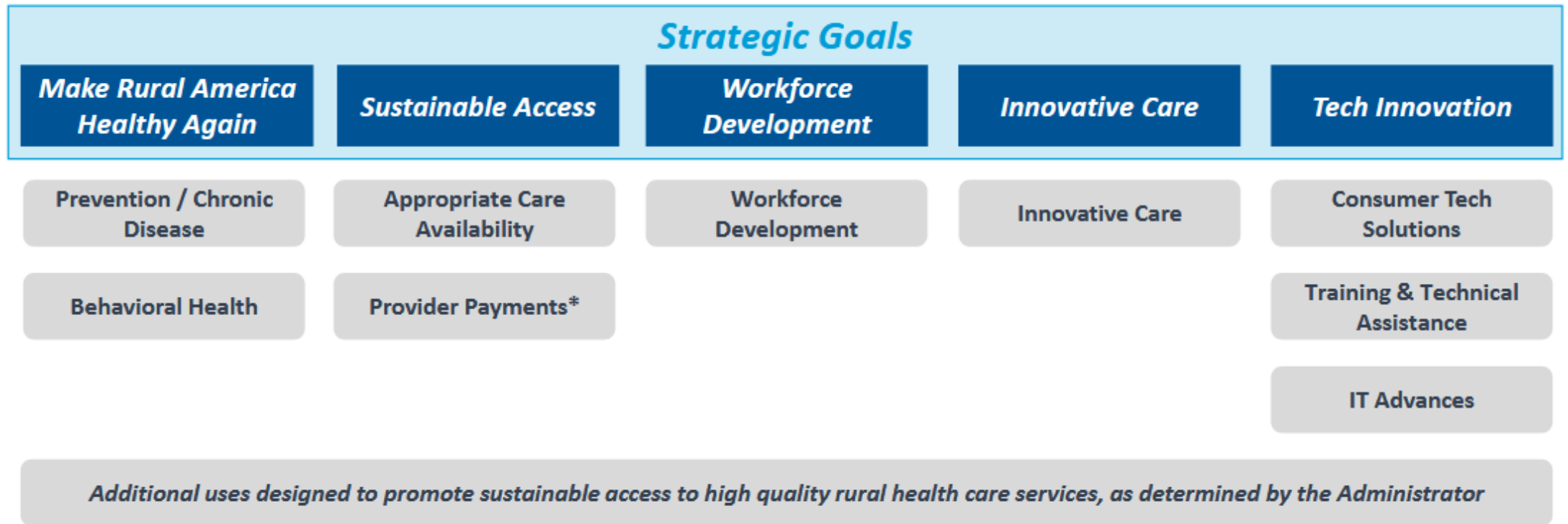
States required to submit an application and a Rural Health Transformation Plan; Only state governments can apply.

Applications due November 5

CMS Strategic Goals

Strategic Goals

Make Rural America Healthy Again	Sustainable Access	Workforce Development	Innovative Care	Tech Innovation
Prevention / Chronic Disease	Appropriate Care Availability	Workforce Development	Innovative Care	Consumer Tech Solutions
Behavioral Health	Provider Payments*			Training & Technical Assistance
				IT Advances

Additional uses designed to promote sustainable access to high quality rural health care services, as determined by the Administrator

Note: Additional details available in the statute
*Cannot supplant or modify fee schedule payments for insurance reimbursable clinical services. Justify why provider payments are not already reimbursable or how the payment will fill a gap in care coverage

Allowable uses of funds

Prevention and chronic disease

Provider payments (limited)

Consumer technology solutions

Training and technical assistance

Workforce

IT advances

Appropriate care availability

Behavioral health

Innovative care

Capital expenditures and infrastructure

Fostering collaboration

Limitations on uses of funds

- New construction; renovations/alterations restricted to 20% of funds

- Replacement of payment or altering payment amounts for clinical services covered by insurance; provider payments restricted to 15% of funds

- Limit of 5% of total funding for replacement of an EMR system if a previous HITECH-certified EMR system is already in place as of 9/1/25

- Rural Tech Catalyst Fund limited to 10% or $20m

- Clinician salaries/wage supports for those subject to non-compete contracts

- Expenditures considered IGTs, CPEs, or non-federal share

- Funding for gender-affirming surgeries

- Payment for abortions

Scoring

- Rural facility and population score factors

- Technical score factors. Examples:

    - Population health clinical infrastructure (chronic disease management)

    - Rural provider strategic partnerships

    - Talent recruitment

    - Medicaid provider payment incentives (value-based care)

    - Remote care services

Sign up for the Federal Funds Information email list:

public.govdelivery.com/accounts/MNMMB/signup/47799

Submit a topic request or feedback for the Federal Funds Update:

https://forms.cloud.microsoft/g/GH9G1Zzk9i

Supplemental Info

- Analysis has shown that words associated with themes in issued executive orders and federal agency guidance are being removed or replaced on federal websites.

- Federal agencies may be conducting AI screening for these or similar words in federal grant applications and reporting.

- Applications and reports that omit these words or themes may not trigger additional review.

The New York Times

accessible	discriminated	inclusive	privilege
activism	discrimination	inclusive leadership	privileges
activists	discriminatory	inclusiveness	promote diversity
advocacy	disparity	inclusivity	promoting diversity
advocate	diverse	increase diversity	pronoun
advocates	diverse backgrounds	increase the diversity	pronouns
affirming care	diverse communities	indigenous community	prostitute
all-inclusive	diverse community	inequalities	race
allyship	diverse group	inequality	race and ethnicity
anti-racism	diverse groups	inequitable	racial
antiracist	diversified	inequities	racial diversity
assigned at birth	diversify	inequity	racial identity
assigned female at birth	diversifying	injustice	racial inequality
assigned male at birth	diversity	institutional	racial justice
at risk	enhance the diversity	intersectional	racially
barrier	enhancing diversity	intersectionality	racism
barriers	environmental quality	key groups	segregation
belong	equal opportunity	key people	sense of belonging
bias	equality	key populations	sex
biased	equitable	Latinx	sexual preferences
biased toward	equitableness	LGBT	sexuality
biases	equity	LGBTQ	social justice

Reminders/Best Practices

- Grants with signed agreements appear to be somewhat stable for the time being

- Some grants may be terminated for convenience—check terms and conditions

  - **The standard terms and conditions are being amended by EPA to make grants easier to cancel for convenience**

  - Stay consistent with terms and conditions

- Get any directives in writing

- Know that calls may be recorded

  - **Folks from the federal government – and potentially DOGE in particular – are joining meetings.**

- Reporting and funding applications: anticipate use of AI screening for key words.

- Court cases continue: **Covid and FEMA fund cancellations were blocked; reductions in force blocked, then unblocked.**